

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 1060-03
Bill No.: Perfected SCS for SB 295
Subject: Taxation and Revenue: Property Tax Sale
Type: Original
Date: April 1, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Tax Commission** and **Department of Revenue** assume there would be no state or local fiscal impact.

Jefferson County, Marion County officials assume no fiscal impact.

St. Louis County Collector stated there would be cost associated with title searches that would add \$35 to every sale of property. Officials stated there would be no significant cost if the search were applied to only the 3rd sale.

Oversight assumes that according to Section 140.405 any cost related to title searches is to be paid by the purchaser. Oversight assumes that cost is recoverable.

Officials of the **Platte County Collector's** office stated that this proposal is cleanup legislation and would have no fiscal impact to County Collectors.

ASSUMPTION (continued)

Officials not responding are as follows: The County Collectors of Callaway, Boone, Franklin, Johnson, Greene, Clay, Cape Girardeau, and Jackson Counties and the City of St. Louis.

<u>FISCAL IMPACT - State Government</u>	FY 2004	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This act modifies the provisions of the delinquent tax collection laws concerning the sale of lands pursuant to such collections.

The act extends the collection laws to include mineral rights and royalty interests with the scope of items subject to sale to discharge a tax lien.

The act removes the provisions that allow partial sales of land to satisfy taxes.

The act reduces the time that the Treasurer must hold the proceeds from the sale on behalf of absent owners from seven to three years. Where there is no trustee in a county or if there is a trustee that has not taken the property after a third offering of sale where no sale occurred, the collector may then sell property at any time and for any amount.

The act removes the requirement that the collector notify the person entitled to any excess funds from the sale.

DESCRIPTION (continued)

Concerning the duty of a purchaser of delinquent property to record the purchase, this act modifies that provision to require recording within two years instead of the current four year requirement.

The act reduces the redemption time for receiving land purchased at a sale from two years to one. The act extends the Collector's fees to include a title search fee, and allows the Collector to charge for the recording fee. When a Collector charges for the recording fee he or she is responsible for recording the deed.

The act restricts non-residents or delinquent taxpayers from being assigned certificates of purchase.

The act modifies the provisions concerning the rights of subsequent purchasers where a primary purchaser has caused taxes on the property to become delinquent. In such case, the first purchaser will forfeit all lines on such property.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.


SOURCES OF INFORMATION

Department of Revenue
Missouri State Tax Commission
Jefferson County Commission
Marion County Collector
Platte County Collector
St. Louis County Director of Revenue

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NOT RESPONDING

Boone County Collector
Callaway County Collector
Franklin County Collector
Johnson County Collector
Greene County Collector
Clay County Collector
Cape Girardeau County Collector
City of St. Louis Collector

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 1, 2003